

CITY OF BEDFORD

Bedford, Virginia

Regular Council Meeting

A G E N D A

August 23, 2005

7:30 p.m.

Administrative

Approval of Minutes
Report of City Manager
Council Comments
Report of Council Committees
Revisions to Agenda

Public Hearings

Consent Agenda

Old Business

New Business

1-P/CD-16-12-2-8-23	Supplemental Agreement – Bedford Joint Industrial Development Authority Building
2-P/CD-16-12-2-8-23	Ordinance – Name Change for Bedford Joint Industrial Development Authority

Closed Session pursuant to Section 2.2-3711 (a) (7) of the Code of Virginia of 1950, as amended, for consultation with legal counsel

**CITY OF BEDFORD, VIRGINIA
CITY COUNCIL
ACTION FORM**

ITEM: Supplemental Agreement – Bedford Joint Industrial Development Authority Building

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DATE OF COUNCIL MEETING: August 23, 2005

DATE: August 18, 2005

PRESENTATION:

The City of Bedford and Bedford County, in conjunction with the Bedford Joint Industrial Development Authority, constructed a shell building in the new Industrial Park (Bedford Center for Business) which was used as a temporary site for Court Services and the Department of Social Services while renovations were being made to the Courthouse and Burke Scott Building on Main Street. The parties entered into a Temporary Courthouse Participation Agreement dated November 9, 1999, confirming the financial agreements between the parties.

The 1999 Participation Agreement provided that upon completion of the renovations to the Main Street Courthouse and government complexes the Joint Authority would market the shell building and lot on which it stands, the City would receive from the net proceeds the first \$75,506 (representing the land value), the remainder of the purchase price (up to the amount expended for the improvements by the County) would be paid to the County; and any amounts above that would be divided between the County and City according to a formula using the amount that the City had paid during renovations pursuant to its obligation to pay a portion of Courthouse expenses.

When Main Street renovations were completed, the real estate in the park, including the shell building tract was conveyed to the Joint Authority and possession of the shell building was delivered to the Joint Authority. The Building remained vacant for a considerable amount of time while the City, the County, and the Joint Authority attempted to find a purchaser.

The Board of Supervisors and the City Council subsequently decided that rather than having a vacant building in the park, it was in the interest of all parties to induce the Central Virginia Community College to open a campus in Bedford by offering a lease of a portion of the shell building for that purpose and to lease the remainder of the building to an industrial prospect.

The parties agreed that the cost of lease -hold improvements made by the landlord for the two tenants, (The Community College and Industry) would be financed by the Joint Authority and not by the City or County. The parties agreed that the rental income paid to the Authority from the project would be used as follows: (a) to service the Authority's loan and to pay costs of the landlord under the lease; (b) a contingency fund of up to \$50,000 would be held by the Authority for structural repairs and maintenance that might be incurred by the Authority as landlord, and (c) any additional rent proceeds would be paid to the County to offset its original costs. The provisions concerning distribution of any proceeds of any sale of the property when the property is sold remain in effect.

The Authority has prepared a Supplemental Agreement concerning the BJIDA building which confirms and memorializes these agreements.

ACTION REQUESTED:

City Council is requested to approve of the Supplemental Agreement in substantially the form submitted, subject to approval of its form by the City Attorney, and authorization for the Mayor to execute such agreement.

		YES	NO	OTHER	ROUTING	
DATE: _____	FLOOD	()	()	()	CITY ATTY.	() HR ()
	HUBBARD	()	()	()	CITY TREAS.	() PKS/REC/CEM ()
APPROVED ()	MESSIER	()	()	()	COMM.DEV.	() POLICE ()
DENIED ()	PADGETT	()	()	()	COMM.REV.	() PUBLIC WKS. ()
DEFERRED TO:	STANLEY	()	()	()	ELECTRIC	() SEWER ()
_____	THARP	()	()	()	ENGINEERING	() WATER ()
	WANDREI	()	()	()	FINANCE	() OTHER: _____
					FIRE DEPT.	()

SUPPLEMENTAL AGREEMENT CONCERNING BJIDA BUILDING

THIS SUPPLEMENTAL AGREEMENT, made this ___ day of August, 2005, by and among the City of Bedford (hereinafter referred to as "City"), party of the first part; Bedford County (hereinafter referred to as "County"), party of the second part; and the Bedford Joint Industrial Development Authority, (hereinafter referred to as "BJIDA"), party of the third part.

WHEREAS, pursuant to the Joint Economic Development and Growth Sharing Agreement between Bedford County and the City of Bedford dated February 1998, the City and the County agreed to creation of BJIDA, and the City agreed to convey to BJIDA title to properties on the east side of Independence Boulevard to be used for a proposed industrial and business park (the Bedford Center for Business, the cost of which, pursuant to the 1998 Agreement, was to be borne equally by the City and by the County; and

WHEREAS, the parties hereto entered into a Temporary Courthouse Participation Agreement dated November 9, 1999 (1999 Participation Agreement), confirming the agreements between the parties pursuant to which the County would construct a shell building upon a parcel of real estate located in the Bedford Center for Business (referred to herein as "Tract 1") containing 7.191 acres as shown on a plat recorded in Plat Book No. 42, at page 119 and the building would be used as the temporary courthouse while renovations were being made in the Bedford County Courthouse on Main Street; and

WHEREAS, in the 1999 Participation Agreement the parties further agreed that upon completion of the renovations to the Bedford County Courthouse, BJIDA would diligently market Tract 1 with BJIDA to receive from the net sales proceeds, \$75,506, (representing the land value); the remainder of the purchase price (up to the amount expended for the improvements by the County) would be paid to the County, and any amounts above that would be divided between the County and City according to a formula set forth in the Agreement; and

WHEREAS, renovations to the Bedford County Courthouse were completed, and the County removed all of its furniture and furnishings and other tangible property used in the temporary courthouse from Tract 1 and delivered possession back to the City on or about July 30, 2002, and the City, by a deed dated July 23, 2002, recorded on August 7, 2002, conveyed to BJIDA title to Tract 1 and to the remaining real estate in the Bedford Center for Business containing 87.903 acres; and

WHEREAS, BJIDA, with the assistance of the Economic and Development Departments of the City and County thereafter attempted to sell Tract 1; and

WHEREAS, the City, the County, and BJIDA subsequently determined that it would be in the best interest of their respective communities and future marketing of the Bedford Center for Business to make the shell building available for lease to Central Virginia Community College (CVCC) in order to induce the opening of a satellite campus in Bedford and to lease other portions of the building to a prospective industry; and

WHEREAS, the proposed lease arrangements included the issuance of revenue notes by the BJIDA in an aggregate principal amount not to exceed \$1,4000,000 in order to finance leasehold improvements to the shell building; and

WHEREAS, the Board of Supervisors, on June 28, 2004, and the City Council, on July 1, 2004, adopted resolutions authorizing the respective governing bodies to enter into support agreements providing for a non-binding obligation of the City and County to appropriate to BJIDA such amounts as may be requested from time to time to provide credit support for BJIDA's notes to the extent rental revenues related to the proposed project were insufficient to enable BJIDA to pay the debt service due on its notes; and

WHEREAS, the parties desire to confirm and memorialize their understandings pertaining to the effect of the lease arrangements and financing arrangements upon the provisions of the 1999 Participation Agreement;

NOW, THEREFORE, the parties agree that the 1999 Participation Agreement shall be amended as follows:

1. BJIDA, as it receives rentals from CVCC and other tenants of the shell building, will use such revenues to pay its obligations upon the notes and to pay operating costs associated with the building;

Any funds above such operating costs, up to an amount of \$50,000, shall be retained as a contingency fund to be used for unexpected emergency repairs and maintenance of the building with a balance of \$50,000 to be retained in said contingency fund from time to time;

And any further net revenues will be paid immediately to Bedford County to reduce the balance of the amounts owed to Bedford County under the 1999 Participation Agreement.

2. All provisions of the 1999 Participation Agreement, not inconsistent with this Supplemental Agreement, shall remain in full force and effect, including the provision that upon sale of the real estate BJIDA shall receive from the purchase price the sum of \$75,506 and the remainder of the purchase price shall be paid to the County to reimburse its improvements (subject to credit for any payments made upon said indebtedness under this Supplemental Agreement), and the division of any further sale proceeds will be determined under the formula set forth in the 1999 Participation Agreement.

WITNESS THE FOLLOWING SIGNATURES AND SEALS pursuant to authority duly conferred by the governing bodies of the parties hereto:

BEDFORD COUNTY, VIRGINIA

By: _____
Chairman, Board of Supervisors

CITY OF BEDFORD, VIRGINIA

By: _____
Mayor

BEDFORD JOINT INDUSTRIAL DEVELOPMENT AUTHORITY

By: _____
Its Chairman

APPROVED AS TO FORM:

Carl G. Boggess, County Attorney

APPROVED AS TO FORM:

William W. Berry, IV City Attorney

**CITY OF BEDFORD, VIRGINIA
CITY COUNCIL
ACTION FORM**

ITEM: Ordinance – Name Change for Bedford Joint Industrial Development Authority

DATE OF COUNCIL MEETING: August 23, 2005

DATE: August 18, 2005

PRESENTATION:

The City Council and the Board of Supervisors, during January and February 1999, enacted concurrent ordinances creating a Joint Industrial Development Authority with jurisdiction over the proposed industrial park to be located on the east side of Independence Boulevard within the City and over certain designated joint development areas of the County surrounding the City of Bedford. Under the legislation authorizing the creation of such authorities, with certain exceptions authorities were required to be designated as “Industrial Development Authorities” and so named. Consequently, the ordinances creating the Bedford Joint Authority stated that the authority would be known as “The Joint Industrial Development Authority of the City of Bedford and Bedford County” or by the short title of “Bedford Joint Industrial Development Authority.”

The General Assembly, in 2004, amended the legislation authorizing industrial authorities to provide that any industrial authority could be given the name “Economic Development Authority” and specifically authorizing the governing bodies of the City of Bedford and Bedford County to name its jointly created authority “Bedford Joint Economic Development Authority.”

The Bedford Joint Authority is proceeding to market the Bedford Center for Business as both a business and industrial park, and its authority to promote growth in the growth sharing areas of the County includes commercial as well as industrial projects. Consequently, the Authority has asked both jurisdictions to amend the prior ordinances changing the name of the Joint Authority to “Bedford Joint Economic Development Authority.”

An appropriate ordinance has been drafted by the City Attorney who acts as counsel for the Joint Industrial Development Authority, and the ordinance has been posted pursuant to the City Code.

ACTION REQUESTED:

City Council is requested to adopt the ordinance changing the name of the Joint Industrial Development Authority to “Bedford Joint Economic Development Authority.”

		YES	NO	OTHER	ROUTING		
DATE: _____	FLOOD	()	()	()	CITY ATTY.	()	HR ()
	HUBBARD	()	()	()	CITY TREAS.	()	PKS/REC/CEM ()
APPROVED ()	MESSIER	()	()	()	COMM.DEV.	()	POLICE ()
DENIED ()	PADGETT	()	()	()	COMM.REV.	()	PUBLIC WKS. ()
DEFERRED TO:	STANLEY	()	()	()	ELECTRIC	()	SEWER ()
_____	THARP	()	()	()	ENGINEERING	()	WATER ()
	WANDREI	()	()	()	FINANCE	()	OTHER: _____
					FIRE DEPT.	()	

**AN ORDINANCE CHANGING THE NAME OF THE
JOINT INDUSTRIAL DEVELOPMENT AUTHORITY
FOR THE COUNTY OF BEDFORD AND THE CITY OF BEDFORD**

WHEREAS, acting pursuant to authorization in the Virginia Industrial Development and Revenue Bond Act, the Board of Supervisors of Bedford County on February 8, 1999 and the City Council of the City of Bedford on January 26, 1999 adopted ordinances in their respective jurisdictions concurrently creating a Joint Industrial Development Authority which, pursuant to Article I, Section 1.1 of the Ordinance was named “The Joint Industrial Development Authority of the City of Bedford and Bedford County”; and

WHEREAS, the General Assembly has amended the Virginia Industrial Development and Revenue Bond Act (Virginia Code Section 15.2-4903), to provide that the Authority jointly created by the City of Bedford and Bedford County “may be named the Bedford Joint Economic Development Authority, or such other name as the governing bodies of the City of Bedford and Bedford County shall choose in the concurrent resolutions creating such authority”; and

WHEREAS, the Board of Directors of the Joint Authority have requested the Board of Supervisors and the City Council, to amend the earlier ordinances in order to change the name of the Authority to Bedford Joint Economic Development Authority.

NOW THEREFORE, BE IT ORDAINED by the City Council of the City of Bedford, Virginia and by the Board of Supervisors of the County of Bedford, Virginia:

Section 1. The concurrent ordinances enacted by the City Council of the City of Bedford on January 26, 1999 and by the Board of Supervisors of the Bedford County on February 8, 1999 are hereby amended as follows:

(a) Section 1.1 is amended and re-enacted as follows:

Section 1.1 Name of Authority

The Authority shall be known as “Bedford Joint Economic Development Authority.”

(b) All other provisions of the original ordinances are re-enacted except that all references to the “Joint Industrial Development Authority of the City of Bedford and Bedford County” or to the “Bedford Joint Industrial Development Authority” are changed to “Bedford Joint Economic Development Authority.”

Section 2. This ordinance shall be come effective only upon adoption by both governing bodies, and such ordinance shall be in full force and effect upon and after the date of passage by the second governing body.